

DRAFT for discussion and comments

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Mechanisms for Channeling Resources to Grassroots Groups Protecting and Assisting Orphans and Other Vulnerable Children

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"In their desire to support community initiatives, external organizations must be careful to avoid undermining community coping. There is a proverb from the Congo that goes 'When you call for rain, remember to protect the banana trees'. In other words, the provision of external resources can, if we are not careful, actually make matters worse by flattening local responses. External agencies would do well to remember that community initiatives are the frontline response to orphans and vulnerable children and plan their responses accordingly."

Geoff Foster in "Proliferation of Community Initiatives for Orphans & Vulnerable Children"

The HIV/AIDS pandemic is creating a child welfare and rights crisis of unprecedented proportions. The survival and development of tens of millions of children is increasingly at risk. More than thirteen million children have lost their mothers due to AIDS and an even larger number are estimated to have lost their fathers. The number of children orphaned by AIDS is expected to continue increasing for at least a decade. In addition to the orphans, HIV/AIDS is making millions of additional children vulnerable, including those whose parents are seriously ill, those in poor households that absorb orphans, those living in communities severely impoverished due to AIDS, and many others.

Experience with much large-scale international development assistance is that it has often been poorly targeted and produced little impact at community level, with extremely low levels of resources in proportionate terms reaching the poorest. Increasingly, donors are recognizing that the most sustainable and cost-effective efforts to protect, support, and assist orphans and other children made vulnerable by AIDS are those initiated and carried out by grassroots community groups. These groups include informal community initiatives, community-based organizations (CBOs) with voluntary membership, local non-governmental organizations (NGOs) with one or more staff who receive a full or partial salary, and religious groups and networks.

Donors have sought ways to channel resources to these grassroots bodies, recognizing that such groups are on the front line of response, are supporting and protecting children in critically important ways, and have demonstrated their capacity to use resources efficiently. However, effective partnerships between large donors and effective community groups have been difficult to achieve, for several reasons.

In some case, donors have inadvertently overwhelmed such locally initiated efforts by providing too much funding too quickly and by failing to strengthen local management and operational capacities. Most community groups do not have experience in managing external funding nor the mechanisms to do so. Their structures are often fragile. Too much funding can undermine community ownership and commitment, making continuity of efforts contingent upon ongoing provision of donor funds. Over-funding has caused some community efforts to break down altogether.

On their side, donors typically lack mechanisms to channel small amounts of funding and to do so in keeping with the operating needs of individual grassroots groups. Donors

have short time frames. They impose externally agreed indicators and are accountable to outside sources rather than beneficiary representatives. The political environments in which donors operate and, consequently, their own management systems require that they produce results quickly. Typically their systems prevent sustaining funding for more than three years. This is a mismatch to the situation, both to the slow progression of long-term impacts of HIV/AIDS and to the requirements of communities who must build, strengthen, and sustain social structures that for decades will remain on the front line of response to HIV/AIDS and its impacts. When community systems are overwhelmed and fail, it is not the donors who have to live with the consequences.

If external agencies are going to fund community initiatives, they have to get it right and, with their first rule being, “Do no harm.” There is less risk, and arguably less impact, when donors stick to interventions, like drilling boreholes or advocating HIV prevention, that do not directly alter community coping systems. Once donors start getting involved in social development and coping mechanisms, it is easy to undermine community coping, exacerbate dependency and inflict damage on already struggling communities and extended families.

This paper briefly describes several types of mechanisms that have already been or could be used to channel resources to grassroots groups protecting and assisting vulnerable children in countries seriously affected by HIV/AIDS. Most of these approaches were identified in April 2001 by a group of experts in children’s programming from Zambia, Zimbabwe, Malawi, South Africa, and Ethiopia who met in Cambridge, Massachusetts, in the United States. No one of these approaches is likely to be the best choice in every situation. Each has potential advantages and limitations, which must be considered in relation to a given context. These are not mutually exclusive options. In a given situation, two or more mechanisms may be needed, in parallel or working together. Also, this list is not intended to be exhaustive. Undoubtedly there are other approaches not described here.¹

“What level of funding are we talking about? 10’s, 100’s or 1000’s of US dollars being delivered to a group at grassroots level? Our experience in working with CBOs is that we were dealing in 10’s and possibly 100’s but certainly not 1000’s. Community initiative funding would be even lower than for CBOs.”

Geoff Foster, former director of Family AIDS Caring Trust, in communication concerning this paper.

While a number of the mechanisms discussed below have enabled the flow of substantial funding to grassroots groups, all of their efforts added together have reached only a fraction of the communities and children in need of support. As the global community is seeking to scale up its efforts to alleviate the impacts of AIDS, it is imperative to find ways to extend the reach of existing mechanisms and to develop new ones to link donors with the local groups who are on the front lines of the crisis. This paper is intended to stimulate and inform discussion among stakeholders, and, hopefully, action by donors and their partners.

1. A Network of Groups Working for Children

In many countries, one or more umbrella groups of organizations working for children have been established. These groups typically facilitate information exchange, collaboration, mutual support, capacity building, research and/or distribution of funding to member bodies. Membership may include NGOs, CBOs, relevant government departments, representatives of local government, and/or faith-based groups. Some groups are formal organizations with a secretariat and full-time staff; others are informal networks of organizations that meet periodically. Still others are in between: semi-formalized organizations with a secretariat that rotates among members or is a part-time responsibility for one of the members.

Some networks have taken on the role of receiving funding from donors and on-granting it to member organizations. Others have used a different approach; instead of channeling funds, they play an advisory role, linking donors to legitimate grant applicants. They may also assist the donor in assessing the quality of grant proposals and the consistency of these proposals with relevant national policies and plans. In addition, donors may contract with a network to monitor the use of granted funds and ensure accountability.

Examples²

The **Children in Need Network (CHIN) in Zambia** is a network of NGOs, community-based organizations, and Government departments working to address the needs of especially vulnerable children. It began informally in 1993 and was formalized in 1996 with the establishment of a secretariat employing three full-time staff. In 1999 it had over 70 member organizations. It also has additional associate members. Funding has primarily been from UNICEF. CHIN's main functions are facilitating information sharing, providing training and educational materials, and advocating on behalf of vulnerable children with government and other stakeholders. Among other activities, it has produced a directory detailing the activities of each member. CHIN has helped to arrange funding for members from donors, and has also channeled donor funds directly to members. More information on CHIN is available at <http://www.chin.org.zm/>

The **Network of Organizations Working in Support of Orphans and Vulnerable Children in Ethiopia** was established in 1998 through technical and financial support from the international NGO, Pact. This network has 25 members, including child-focused NGOs, the Ministry of Labor and Social Affairs, the Italian Cooperation agency, and children's homes. This network's main functions include information exchange, arrangement of exchange visits, provision of information on national policies, exchange of knowledge and expertise, and coordination. Members of the network include three quarters of the orphanages in the country. Most of the network members are still providing institutional care but are working to deinstitutionalize children and develop family and community protection and support for them and other especially vulnerable

children. Some of the NGOs in the network have also developed programs to prevent children from moving onto the street.

The **Uganda Community-Based Association for Child Welfare (UCOBAC)** was a network of organizations that operated during the first part of the 1990s. It facilitated information exchange and collaboration and provided training in such areas as programming for vulnerable children, proposal writing, and national and international laws and policies. It was started with support from UNICEF and international NGOs. With a secretariat in Kampala, it established affiliate groups of small NGOs and CBOs in most of Uganda's districts. It helped link these affiliates and their members to information and resources in the capital and gave them a voice in the development of national policy concerning children. UCOBAC developed a "Grants Bank" approach that helped to link donors with grassroots efforts to assist vulnerable children. UCOBAC did not channel funds, itself, but, through its district affiliates, helped donors to identify and support small projects. It also played a monitoring and support role for such projects. Eventually, however, it was pressured by a donor to take on an implementation role for a major grant, and began to function as a regular NGO rather than as a network.³ UCOBAC carried out training of community-based organizations and local NGOs. A parallel group, KACOBAC, was also formed in the Kagera Region of Tanzania.

Potential advantages of a network of child-serving bodies as a channel for donor funding to individual member organizations is that strong networks include key national and local NGOs and, in some cases, CBOs engaged in work with especially vulnerable children, HIV/AIDS, emergency response, etc. Some have developed training capacity and, in addition to channeling financial resources, can build the capacity of their member organizations. Another advantage is that member organizations, collectively, are often in a good position to assess the legitimacy and capacity of NGOs or groups that may seek funding.

Potential limitations include the possibility of inducing competition for funding among member organizations, particularly if the network was formed for information exchange and seeks to take on a new role of funding intermediary. Also, it can be difficult for a network constituted by its member organizations to effectively supervise the use and management of funds allocated to those members. There is also a risk of some more influential member organizations receiving priority over other members in the allocation of funding. The Christian Relief and Development Association of Ethiopia (CRDA), however, has played both networking and funding allocation roles for years in relation to relief and development funding, and CHIN in Zambia successfully added the role of funding intermediary to its initial networking roles. Determining how networks that have successfully channeled resources to members have avoided friction would be a potentially valuable issue for operations research.

Another area for attention is that networks can give the appearance of greater coverage than is often the reality. In contrast to a multi-layer committee (described in the following section) the "coverage" of member organizations is not comprehensive but determined by

the service areas of the member organizations. Another limitation of some networks is that their membership may be limited to established NGOs and not include grassroots community groups engaged in direct assistance efforts. Some investment in the capacity of the networks themselves may be necessary if they are to take on new responsibilities.

2. A Multi-layer Committee Structure

This is a multi-level (e.g. national, district, health catchment area, village) committee network that includes a mix of governmental and civil society participants with a common area of concern, such as HIV/AIDS or especially vulnerable children. The structure may either channel funds from donors to community groups or play a proposal review and advisory role to donors who then provide funding directly to community groups.

Examples

The **AIDS Committee structure in Malawi** was initiated in 1994. The National AIDS Control Program and UNICEF, recognizing the need to mobilize a collaborative response to HIV/AIDS by all segments of society, developed the concept of a national network of AIDS committees. Committees involving Government ministries, NGOs, religious bodies, and the private sector were to be organized at district, health catchment area, and village levels. Each committee was to have four technical sub-committees:

- High-risk Groups
- Home-based Care
- Orphans
- Youth

This mandated structure was to be developed using a cascade approach. Support was provided at district level, and each District AIDS Coordinating Committee (DACC) was to organize for each of its health catchment areas a Community AIDS Committee (CAC). In turn, each CAC was to mobilize a Village AIDS Committee (VAC) in every village. However, resources were provided only for a limited time, and the mobilization process did not progress much below the district level in most districts.

In 1996 the COPE program (implemented by Save the Children US with funding from USAID) began a community mobilization process that has reactivated the AIDS Committee structure in four districts, in which it reported in early 2001 four DACCs, 16 CACs, and 208 VACs.

Some of the activities of VACs include:

- Identifying and assessing the situation of orphans and other vulnerable community members

- Developing communal gardens to benefit orphans, people who are ill and other vulnerable people.
- Conveying HIV/AIDS messages
- Organizing youth clubs to convey HIV/AIDS messages to the community through drama, dance and music
- Assisting with household chores
- Organizing community-based child care and feeding
- Advocating locally with guardians and schools to allow vulnerable children to attend school
- Raising funds to provide material assistance to vulnerable children and adults
- Receiving and distributing food, clothing, and other donated items.
- Helping people get to the hospital

Orphans and Vulnerable Children Committees (OVCCs) in Zambia were initiated in two districts (Livingstone and Kitwe) in Zambia in 1997 by Project Concern International (PCI), with funding from USAID. Membership at district level included line ministry personnel (Social Welfare, Education, and Health officers), NGO representatives, religious leaders, the Victims Support Unit of the police department, local government personnel, and business people. Both of these districts were primarily urban and included several sections (referred to as compounds), each with several thousand residents. PCI trained members of the District OVCC how to use several different Participatory Learning and Action tools and together with them carried out PLA exercises in several compounds, each of which established a Community OVCC. Each of these COVCCs identified education as its priority concern for vulnerable children and initiated a community school with volunteer teachers from the community.

In 2000 CARE and Family Health Trust (a Zambian NGO), were awarded a grant of USAID funds by Family Health International to establish the SCOPE program for orphans and other vulnerable children. SCOPE began to reorganize and strengthen the OVCC structures in the two initial districts and by 2001 had expanded the approach to eight districts. COVCCs continue to operate community schools and have initiated other activities, such as visiting and counseling especially vulnerable children. A National OVC Steering Committee has been established. The OVCC structure has not been mandated for all districts.

At this writing legislation is pending to establish **Child Welfare Forums in Zimbabwe**. While this structure may eventually become an effective mechanism, some working on children's issues have expressed concern that the proposed legislation emphasizes government control and that the Forums established will be appointed bodies that do not include adequate representation of the community and religious groups and NGOs addressing the needs and rights of orphans and other vulnerable children.

Potential advantages of a multi-layer committee structure as a mechanism for channeling funding include its reach to the grassroots level and its incorporation of key stakeholders

at each level. Both governmental and NGO personnel may be able to participate as part of their respective jobs. With a mandate from the central government and the participation of line ministry personnel and local government offices, it can have legitimacy both in the eyes of government officials and civil society members. Involving a range of key stakeholders can also enhance accountability in transfer and use of resources. In addition to the funding channel role, these structures may also play advisory roles, linking grantmakers to worthy grant recipients, screening and assessing grant proposals, channeling reports, advising on implementation, etc.

Potential limitations include the need for some level of ongoing financial support for the structure and ongoing government commitment to it. Committees may not have a legal status or operational capacity that enables them to receive funds, so one of the members of the committee may need to receive the funding on behalf of the committee (e.g. a district social welfare office or NGO). Most such structures are likely to be able to manage only limited amounts of funds. However, some committees (e.g. the Namwera AIDS Coordinating Committee in Mangochi District, Malawi) have become full-fledged local NGOs with their own bank accounts and strong organizational capacity to receive, use, and report on funding. How such structures are established is critically important, while a government mandate can be beneficial in ways suggested above, it is by no means sufficient. The process through which stakeholders come together and determine how they work together to meet the needs of both the children they care concerned about and their organizations is vitally important. Structures will not come into being and function effectively over time simply by mandating their existence.

3. Capacity-building NGOs

Such NGOs have as a primary or sole function strengthening local and national NGOs and/or community groups through organizational development, training, provision of key material resources, and, often, provision of funding through sub-grants. These programs have developed based on the recognition that providing funding or material items is not sufficient and is often not the most important type of assistance needed by organizations working at community level.

Examples

Private Agencies Cooperating Together (Pact) is a US-based international NGO with operations in multiple developing countries. Pact's programs vary from country to country. In Ethiopia, for example, Pact's capacity-building activities emphasize organizational development. The first step is an organizational capacity assessment (OCA) facilitated by Pact staff and Pact-trained consultants. This process helps an NGO identify its strengths and weaknesses, and assists Pact in determining where capacity needs to be built. Pact's interventions are made through a training and mentoring process focusing on strategic planning and management, project design, monitoring and

evaluation, and financial management. Pact helps each NGO to develop its own strategic plan. Mentoring by a consultant assigned by Pact usually continues for three to four weeks after structured training. After completion of a strategic plan, Pact's partner NGOs are eligible to apply to Pact for funding of staff positions, purchase of basic equipment and furniture, and activity grants. Domestic resource mobilization has recently been emphasized in Pact's capacity building. In early 2000, 23 of Pact's partner NGOs were engaged with street children and orphans. In cooperation with the Ministry of Labor and Social Affairs (MOLSA), Pact has helped facilitate the development of the Network of Organizations Working in Support of Orphans and Vulnerable Children in Ethiopia (see description above). Information on Pact and its program in Ethiopia is available at:

<http://www.pactworld.org/>

The International HIV/AIDS Alliance has worked to build the capacity of HIV/AIDS-focused NGOs and CBOs in over 40 developing countries. As of September 2001, the Alliance has major ongoing programs in 16 countries in Africa, Latin America, Asia and Eastern Europe. The Alliance provides funding to local partner NGOs and CBOs and provides them technical support. Rather than mobilizing communities directly, it enables its local partners to do so. In Burkina Faso, the Alliance has received funding from USAID's Displaced Children and Orphans Fund to work with Initiative Privée et Communautaire contre le SIDA (IPC), a local NGO support organisation, to develop the capacity of NGOs to mobilize and build the capacity of grassroots community groups to address the needs of orphans and other vulnerable children.⁴ Information on the Alliance is available at: <http://www.aidsalliance.org/>

Family AIDS Caring Trust (FACT) in Mutare, Zimbabwe has graduated from an implementing organization into an "intermediary NGO," providing support through training and technical assistance to over 200 organizations. This change was promoted by the recognition that it could never reach directly more than a relatively small proportion of the individuals and families made vulnerable by AIDS and that a different approach was needed to scale-up and scale-out community-based efforts. The catalytic role of intermediary organizations as agents of change is increasingly recognized by development practitioners. FACT's approach has been to concentrate on building the capacities of grassroots groups, and it does not channel funds to them. The transition made by FACT to become an intermediary NGO was facilitated by its becoming a partner of Pact's NGO Strengthening Program in Zimbabwe, and before that by its participation in the School without Walls program of the Southern African AIDS Training Program. In collaboration with the International HIV/AIDS Alliance, FACT has recently begun to promote the development of intermediary NGOs by bringing together African intermediary AIDS organizations for one-week consultations to document their particular roles and activities.⁵

Potential advantages include the strong management capacity and fiscal accountability systems of the international capacity-building NGOs, their ability to channel financial and material resources, and their training capacities. Their experience shows that

providing funding alone is not likely to be effective; capacity building is needed as well. Effective training can play a key transitional role, building the capacity of local organizations to implement activities, seek and use domestic and foreign funding, and sustain themselves and their activities over time.

Potential limitations may include a focus on building the capacities of NGOs to, themselves, deliver services rather than enabling NGOs to play a catalytic role of mobilizing and building the capacities of communities, themselves, to identify and respond to the needs of especially vulnerable children. Without the latter approach, channeling resources through international capacity building NGOs may not reach groups at the grassroots level and may stimulate only service delivery activities dependent upon ongoing donor funding. Even where grassroots community mobilization is being promoted by an international NGO, there is a risk, that community action will be stimulated by the initial availability of funding and, consequently, dependent on the continuity of funding. Also, international NGOs tend to have higher overhead costs than local organizations, so less of the funding they receive is ultimately passed on to community organizations. In addition, capacity-building NGOs are typically grant-funded, which can limit the period of their involvement, regardless of circumstances at community level.

4. A Request for Applications Process

Large donors sometimes use a request for applications (RFA) process to make funding available. This is a competitive process in which applicants submit proposals to the donor in response to a public description of the goal and objectives to be addressed and the kind of activities the donor wishes to support. Typically such a process is used to initiate services or a program, but it can be used to stimulate and support mobilization and strengthening of grassroots groups protecting and assisting children. Applicants must meet the criteria of the donor in terms of technical and management capacity.

Examples

In Zambia in 1999, **USAID** provided funds to **Family Health International**, which, in turn, carried out an RFA process. This resulted in the award of funding to CARE and Family Health Trust (a Zambian NGO) to initiate the **SCOPE** program, described above.

In March 2001 **USAID** issued a RFA to solicit proposals regarding orphans and other children made vulnerable by HIV/AIDS in Zimbabwe. This funding is to be allocated to the successful applicant organization to support an umbrella program of small sub-agreements and/or sub-contracts and technical assistance and training to community based organizations in order to strengthen their capacity to deliver and sustain current community efforts to help children affected by AIDS. Small sub-agreements and sub-contracts and technical advice and training on best practices will be offered to community based organizations not currently assisting communities and children affected by AIDS

as incentives for them to begin work on behalf of children affected by AIDS. Networking and technical exchanges to share strategies, best practices, and lessons learned will be supported. Scholarships for school fees and other educational costs will help to address a major constraint faced by children, families, and communities responding to the needs of children affected by AIDS. Information on USAID is available at: <http://www.usaid.gov/>

Potential advantages include the ability of the donor to specify standards of organizational and technical capacity and the parameters of what it wants to accomplish, leaving applicants a degree of freedom to develop approaches.

Potential limitations include the competitiveness engendered by the process, which can undermine much-needed collaboration among key stakeholders needed at regional, national, and sub-national levels. There are also significant costs in time, resources, and motivation to the organizations whose proposals are not successful. An RFA process may lead to channeling of resources to the grassroots level (if this is what it calls for), but the structures through which this is to be accomplished may not exist at the time a decision is made about funding. The donor must depend on one or more adequately qualified NGOs submitting proposals and may not approach potential candidates or play any role in their initial development of proposals. It may be preferable for a donor to encourage all stakeholders to work together on development of a joint proposal for collaborative action. Better still would be for all interested donors to support a widely inclusive analysis of the national situation of orphans and vulnerable children in a country, then develop a joint plan for funding and implementation with all other stakeholders involved. Effective national OVC situation analyses have been undertaken in Zambia, Namibia, and Uganda.⁶

5. A National or Area Fund

A fund to assist orphans and vulnerable children with a country-wide or sub-national geographic scope may be established within an existing grant-making structure. Alternatively, an independent foundation, trust, or other legal entity can be created, either with the specific purpose of promoting and supporting activities for the protection and care of especially vulnerable children, or for supporting a country's overall response to HIV/AIDS, including assistance for especially vulnerable children and their families. A fund can have a decision-making board with representatives of relevant government bodies, civil society organizations, and/or businesses, as well as qualified individuals. The board can set clear criteria for assessment of proposals and applying those criteria fairly and transparently in reviewing proposals. Such a fund can receive proposals directly from community groups or through intermediary bodies (for example, committees at district level, like the District OVC Committees in Zambia or the District AIDS Committees in Malawi). Where proposals are submitted through district bodies, the latter can either play an advisory role to the fund or be given a decision-making role in relation to local proposals. A national or area fund can, itself, receive funding from major international or national donors and/or generate resources through investments or

loans in the private sector.⁷ It can limit its role to funding and monitoring the use of funds, or it can have the capacity to conduct training and other forms of organizational development, as well. It may also play an advocacy role at national and local levels.

Examples

In South Africa, the **Nelson Mandela Children's Fund** (NMCF), has received a grant from USAID for a period of three years (2000 – 2003) to pilot in 10 sites across four provinces, community based programs and models of care, to respond to the needs of orphans and vulnerable children within the family and community context. This project is called Goelama (Tswana for nurturing and protecting the young). The model is based on sub-granting to intermediary organizations (community building and catalyst organizations (CCOs), who will do community mobilization, including formation of networks and coalitions, thus ensuring that the communities' needs are met by communities themselves. Their role is to facilitate the formation of these groupings or networks, which will include local government, traditional leaders, government departments like Welfare, Education and Health, as well as business. Together with Goelama staff these networks are expected to provide technical support to CBOs. The activities are all aimed at strengthening community support mechanisms, strengthening families' economic situation, and strengthening local government responses to the plight of orphans and vulnerable children.

During the pilot phase, the NMCF will receive proposals for funding projects at grassroots level via the CCOs and field staff and fund these directly, to ensure continuity of these grants with the other program areas of the Fund. One of these program areas is already providing funding to organizations working towards ensuring children, including orphans and children vulnerable as a result of HIV/AIDS, are integrated into families and communities.

A further aim of the Goelama project includes setting up a system at community level, which will ensure sustainability of the groupings after the pilot phase. This will include developing collaboration among various organizations, programs, and resources into a coherent and integrated response to the plight of families and communities to the pandemic, as well as working with government structures to ensure systems work effectively. Information on the Nelson Mandela Children's Fund is available at:
<http://www.mandela-children.com/>

The AIDS Foundation of South Africa, which is based in Durban, is a donor intermediary and support organization. The AIDS Foundation has long recognized that smaller NGOs and CBOs face two major problems that impede their ability to perform and deliver effective and sustainable services to their communities. The first is inadequate resources to work as effectively as possible. The second problem concerns their limited capacity to plan, implement, monitor and evaluate their interventions effectively. The AIDS Foundation has addressed these issues

by:

- Making longer term (three year) funding commitments to NGO and CBO grantees, and
- Strengthening these organizations through its technical support and capacity building program.

The thrust of the program is to develop adequate levels of sustainability, enabling organizations to concentrate on delivering effective services instead of managing funding crises. The Foundation's approach to capacity building and technical support takes the form of "coaching" and support by building close working relationship between the Foundation and each funded project. A member of the Foundation's project staff visits each project four times a year. These visits afford the Foundation the opportunity to monitor progress, identify problem areas and to provide on site support to projects. Also, each year the Foundation runs two day skills building workshops of four days each for operational staff their grantee organizations funded organizations and two two-day workshops for the managers or directors of these organizations. The Foundation contracts with local universities and technical training programs to carry out most of this training.

The Foundations reports that organizations it supports have demonstrated increased:

- Structural capacity
- Ability to manage their finances and use funds effectively
- Ability of to plan, implement, monitor, and evaluate their work
- Technical capacity to run effective and relevant programs.

These improvements, in turn have enabled NGO's and CBO's to deliver good quality HIV/AIDS services. In September 2001, the AIDS Foundation is supporting 45 organisations in KwaZulu Natal, the Free State and Mpumalanga. Information on the AIDS Foundation is available at: <http://www.aids.org.za/>

Tanzania Social Action Trust Fund

The Social Action Trust Fund (SATF) is a non-governmental, Tanzanian trust to support children orphaned by AIDS. Initiated in 1995 through initial technical support and capitalization from USAID, the fund became fully functional in 1998. SATF uses earnings from interest on loans and investments in the private sector to make grants to NGOs registered in Tanzania to assist children orphaned by AIDS. SATF links promotion of private sector development and social benefits to vulnerable children. SATF ownership resides within a socially conscious committed group within the Tanzanian business community and generates income using sound business and investment practices. The Fund is governed by a five-member board of trustees from the business community and is managed on a day to day basis by a Chief Executive Officer and small supporting staff. SATF became fully operational and self-supporting in 1998. Its performance has reflected effective management and consistent growth enabling it to become a local, sustainable mechanism to respond to the problems of HIV/AIDS facing Tanzania. Fifty percent of the Fund's earnings are reinvested into loans to ensure

consistent growth and the remaining 50 percent are used to provide grants to NGOs and support its management.

SATF has been able to expand its grants from an initial total of 100 million Tanzanian shillings (almost US\$112,000) distributed through NGOs in eight regions in 1999 to 195 million shillings (over US\$218,000) in 12 regions in 2000. A total of 10,621 orphans benefited in 2000. Grants to NGOs primarily support basic education costs such as school fees, uniforms, text books, and occasionally transport. SATF's staff monitor NGO performance and seek to ensure that its grants directly benefit the maximum number of orphans. SATF grants must be used for direct assistance to orphans and cannot be used for operational costs of recipient NGOs, which must be covered from other sources. Given the Fund's success, SATF is exploring ways to increase its capitalization so that more orphans can benefit. SATF's goal is to support as many orphans as cost-effectively as possible without compromising the quality of interventions.

The **Malawi Social Action Fund** was established by the World Bank and the Malawian government in 1995 for the purposes of supporting local development initiatives and mitigating the impacts of structural adjustment. In its first phase of operation, MASAF mainly supported construction and infrastructure development projects proposed by communities (road building, water supply improvement, school and clinic construction, etc.) In its second phase, MASAF has begun making grants of \$US500 to \$6,000 to local organizations assisting vulnerable children and adults. To be eligible, applicant organizations must be legally registered, must have a track record of at least two years' experience, and must have strong demonstrated ties to the community. Projects funded include community training in orphan care, early childhood development initiatives, community gardens, skills training for older orphans, HIV awareness campaigns through youth clubs, and construction of multipurpose community halls. Responsibility for monitoring is shared by the grantee, MASAF staff, and local government staff. In addition to funding, MASAF provides some technical assistance to grantees, particularly in financial management and reporting. MASAF has publicized its grants program for vulnerable persons using radio spots and distributing short documents in local languages through government agencies, religious institutions, NGOs and CBOs, and other avenues. Word-of-mouth knowledge of successful projects has spread rapidly. Other countries have similar World bank-funded funds for poverty alleviation and/or social development.

Potential advantages of a national fund include the possibility of establishing a body whose decision-makers are knowledgeable about local conditions, local organizations, and different approaches to addressing children's needs and rights, and who, consequently, are in a good position to channel financial resources appropriately. Such a fund can be independent of national government, but benefit from its input or work in collaboration with it. It can work through or collaborate with structures or networks that may already exist and extend to the grassroots level. It can make grants in keeping with national policies, priorities and plans. Importantly, it can provide a single vehicle through which donors can support efforts to assist AIDS-affected children and

communities. It also can receive and distribute large sums, thus accommodating donors unable to provide funding in small installments.

Potential limitations include the fact that few such bodies exist. Even where they do exist, they do not necessarily have access to networks that reach to the grassroots level. Without such networks or structures, they are in a similar position to an external donor that must make decisions about which proposals or activities to fund. Also, a fund would likely have higher overhead costs than less formal mechanisms due to its need for staff to manage and monitor disbursements and ensure programmatic and financial accountability.

6. International Funding Structures

A body in any country may choose to dedicate all or part of its resources to supporting activities to benefit orphans and other vulnerable children and to channel these directly to community groups. This can include foundations or mechanisms within religious bodies, international NGOs, United Nations or other international organizations, or other bodies. This can be a unilateral initiative or an open mechanism soliciting, receiving, and channeling funds from other donors or the public. (It should be noted that regulations in the United States place certain limits on the extent to which NGOs in that country can serve as funding intermediaries.) In addition to providing funds and monitoring their use, a foundation may also provide grantees with technical assistance in various dimensions of organizational development, including proposal development, accounting, and reporting.

Examples

The **Firelight Foundation**, based in the United States, has taken as its central focus in the period 2000-2005 children orphaned or affected by AIDS in Africa. In 2000, its first year of grantmaking, Firelight committed a total of \$650,000 in 48 grant to organizations in nine African countries, as well as the US. Most grants fell in the range of \$500 to \$20,000. These grants supported both NGOs and CBOs. Firelight has relied on site visits and an informal network of trusted informants to identify and refer possible grantees and to assess proposals. Firelight has developed reporting requirements that are reasonable and realistic for recipients, but also ensure due diligence by the foundation. Firelight accepts donations from the public to support its grantmaking. Information on the Firelight Foundation is available at: <http://www.firelightfoundation.org/>

The **Global Initiative on AIDS in Africa** is a US-based NGO that, among its activities, makes grants to grassroots groups in Africa. It has a particular focus on orphans and other vulnerable children. It provides development support, fundraising services, updated information, marketing, resources, education, financial assistance and counseling to African-based grassroots service organizations, HIV/AIDS activists, physicians and HIV/AIDS advocates focused on prevention, awareness, medical treatment, behavioral risk reduction, care and support for children who have been abandoned and orphaned by

AIDS in Africa. The Initiative provides resources for emotional support, food, clothing, housing, school tuition, and counseling. It also directs resources to efforts to provide emotional support for grandparents, families, caretakers and foster parents caring for orphans. Information on the Global Initiative on AIDS in Africa is available at:

<http://www.aidsinafrica.com/flash.html>

In August 2001, with funding from USAID, The Policy Project in the United States initiated the **Communities Organized in Response to the HIV/AIDS Epidemic (CORE) Values Small Empowerment Grants Program**, a Policy Project initiative, to provide grants of \$1,000 to \$5,000 and technical assistance to community and faith-based groups to build capacity in addressing HIV/AIDS. The program will be evaluated and documented to inform future USAID initiatives of the same nature. Priority is to be given to groups that commit their own resources and demonstrate the capacity to meet needs for care and support, especially care for orphans and vulnerable children, and to help confront and reduce the stigma and discrimination which confound efforts to eliminate new infections and provide adequate care to those who are ill.

The Pendulum Project is a new non-profit humanitarian organization based in the United States which aims to link groups in that country with communities caring for orphans and other vulnerable children in regions severely affected by the HIV/AIDS epidemic. Its approach facilitates partnering through raising of awareness, the exchange of information and other resources. Information on the Pendulum Project is available at: <http://www.pendulumproject.org/>

Potential advantages include the management capacity of already established organizations that decide to channel resources to community groups and the flexibility and speed with which assistance can be provided. Those based in wealthier countries may be in a good position to solicit funds from other donors or the private sector, as well as from the public.

Potential limitations include the difficulty of making good decisions from a distance. There are risks that proposals funded may not be from legitimate groups, or that they may not be consistent with national policies, priorities, or plans in the countries of the applicants. This difficulty can be overcome by linking with relevant structures in the recipient countries to review proposals. There is also the potential risk that an external body may sow suspicion and distrust among its potential grantees unless it uses an open, transparent grantmaking process that includes key leaders.

Closing Comment

In view of the approaches described above, it does not appear that there is one best way to provide financial and technical support to community groups working to protect and assist orphans and other vulnerable children, but neither are all approaches equally

effective. There have been critically important lessons learned and mistakes made that should not be repeated. In determining how best to provide support at the grassroots level, much depends on the local context and actors, and the best solutions are likely to involve more than one of the above approaches. It is imperative that donors look honestly at the ways that HIV/AIDS is making children and families vulnerable, the scale on which this is happening, and the central role that community groups are playing in mitigating these problems. They must deal seriously with the issues raised in this paper and get on with the task of dramatically increasing the scale and improving the effectiveness of their support to communities, and they must be prepared to do so for a long time to come.

¹ Those who participated in the April 2001 discussion of the issue of channeling resources to community group included Louis Mwewa, Stanley Phiri, Greg Powell, Mulugeta Gebru, Sibongile Mkhabela, Suzi Peel, and Mark Lorey. Tsegaye Chernet, Mr. Mwewa, and Mr. Phiri made significant additional contributions.

² Organizations described in this paper are ones with which the authors are familiar or about which they had access to information. They are presented as examples. Readers should not assume that these are necessarily the only or the most outstanding operations of their type.

³ A description of UCOBAC is included in *Action for Children Affected by AIDS: Programme Profiles and Lessons Learned* (Sue Armstrong and John Williamson) WHO and UNICEF, New York, December 1994, pp. 17-20.

⁴ For additional information see: "Expanding community action on HIV/AIDS: NGO/CBO strategies for scaling up," (International HIV/AIDS Alliance), 2001 (40 pages) (Request from mail@aidssalliance.org Order from http://www.aidssalliance.org/docs/index_eng.htm or downloaded from http://www.aidsmap.com/about/intl_HIV_AIDS/ScaleUp.pdf)

⁵ Additional information on Family AIDS Caring Trust and the development of intermediary NGOs is available in the following documents: "Caring for our children: Promoting community-based responses to children affected by AIDS: The FACT Families Orphans and Children Under Stress programme: A UNAIDS Case Study," UNAIDS: Geneva.2001 (28pages). FOCUS Evaluation Report 1999: Report of a Participatory, Self-evaluation of the FACT Families, Orphans and Children Under Stress (FOCUS) Program."

⁶ Guidance on collaborative national situation analysis is provided in "What Can We Do To Make A Difference? Situation Analysis Concerning Children and Families Affected by AIDS," which is available at <http://www.displacedchildrenandorphansfund.org/>

⁷ Tanzania has a foundation that generates funds through loans to the private sector, then uses profits to pay for school uniforms for vulnerable children.